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*Proposed Counsel for Debtor*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re:

SASCO HILL BRANDS LLC, Chapter 11

Case No. 18-11780

Debtor.  
-----X

**AFFIDAVIT PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK     )  
                                  )ss.:  
COUNTY OF NEW YORK    )

GLENN C. POLLACK, being duly sworn deposes and says:

1. I am the Manager of GB Manager LLC (“GB Manager”). GB Manager is the Manager of Ghurka Brands Holdings LLC (“Ghurka Brands”). Ghurka Brands is the Manager of Sasco Hill Brands LLC (the “Debtor”). I am fully familiar with the Debtor’s business, financial information, and the facts set forth herein. I have been duly authorized to submit this affidavit which is hereby submitted in accordance with Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York.

2. The Debtor, under the name “Ghurka”, designs and manufactures handmade leather briefcases, bags, gifts and travel products, and accessories (the “Products”). The Debtor sells its Products through its proprietary online website and through a select number of wholesale

retailers. Ghurka Brands is a holding company, being the sole member of the Debtor. Ghurka Brands owns 100% of the stock of Ursa Minor B.V., which owns certain intellectual property utilized by the Debtor in the production and sale of its Products.

3. The Debtor received financing through Gordon Brothers Brands, LLC (“GBB”) pursuant to a certain letter agreement dated August 24, 2017 (the “Letter Agreement”) and related documents (collectively, the “Loan Documents”). Certain non-payment related covenant defaults occurred under the Loan Documents. Pursuant to said defaults, GBB immediately seized the Debtor’s bank accounts and refused to allow the Debtor to utilize said funds without its prior consent for each payment. Based on the foregoing, the Debtor initially consented to an Article 9 sale of its assets in satisfaction of its obligations to GBB and its creditors. However, it became apparent that the Article 9 sale would not result in a recovery sufficient to satisfy the Debtor’s obligations to GBB and its remaining creditors and accordingly, it was necessary for the Debtor to file the instant Chapter 11 bankruptcy case to preserve its assets.

4. No prior case has been commenced by or against the Debtor under Chapter 7 or 11 of the Bankruptcy Code.

5. Upon information and belief, as of the date hereof, there has not been a formation of a committee of unsecured creditors.

6. A list of the Debtor’s twenty (20) largest unsecured creditors is attached hereto as **Schedule “1”**.

7. Attached hereto as **Schedule “2”** is a list of the Debtor’s five largest secured creditors including the amounts of the claim, a brief description, and an estimate of the value securing the claim, and indication of whether or not the claim or lien is disputed.

8. A summary of the Debtor's assets and liabilities as of April 30, 2018 is attached hereto as **Schedule "3"**.

9. The Debtor has no securities that are publicly held, the Debtor is a privately held corporation.

10. Substantially all of the Debtor's inventory is currently with its fulfillment services provider, Total Reliance Warehouse, 11 Corn Road, Suite B, South Brunswick, New Jersey 08810.

11. The Debtor does not own any real property.

12. Attached hereto as **Schedule "4"** is a list of the premises the Debtor leases and the monthly rents with respect to each lease.

13. The Debtor's office equipment and computer equipment is located at 205 Hudson Street, Suite 08-106, New York, New York 10013. The Debtor's inventory is located at Total Reliance Warehouse, 11 Corn Road, Suite B, South Brunswick, New Jersey 08810 and Mayan Corporation, 79 Day Street, Norwalk, Connecticut 06854.

14. The Debtor's books and records are located at 600 Superior Avenue East, Suite 1800, Cleveland, Ohio 44114.

15. The Debtor does not have any material assets outside of the United States.

16. Attached hereto as **Schedule "5"** is a list of all actions or proceedings pending against the Debtor or its property with a list of judgments, if any.

17. The following individuals comprise the Debtor's existing senior management: Glenn Pollack – Manager; Steve Latkovic - Manager.

18. It is estimated that the amount of bi-weekly payroll to employees (exclusive of officers, directors, stockholders, and partners) for the thirty (30) day period following the filing of the Chapter 11 petition is \$9,500.00.

19. The amount paid and proposed to be paid for services for the thirty (30) day period following the filing of the Chapter 11 petition to any officers, directors, stockholders, or business consultants is \$0.00.

20. Attached hereto as **Schedule "6"** is the Debtor's Cash Flow Statement.

21. Included with the filing of this petition is a proposed case conference order.

**SASCO HILL BRANDS LLC**

By: Ghurka Brands Holdings LLC  
Its: Manager

By: /s/ Glenn C. Pollack  
GB Manager LLC  
Glenn C. Pollack, Manager

Sworn to before me this  
12th day of June, 2018

/s/ Teresa Sadutto-Carley  
NOTARY PUBLIC, STATE  
OF NEW YORK  
No. 02SA6358210  
Qualified in New York County  
Commission Expires May 8,  
2021

## **SCHEDULE 1**

## Fill in this information to identify the case:

Debtor name Sasco Hill Brands LLC  
 United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
 Case number (if known): \_\_\_\_\_

☐ Check if this is an  
 amended filing

## Official Form 204

**Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders**

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Mayan Corporation 79 Day Street Norwalk, CT 06854						\$118,901.44
McCarthy, Lebit, Crystal et al 101 West Prospect Avenue Suite 1800 Cleveland, OH 44115						\$103,769.67
Krupp Public Relations, Inc. 37 W. 28th Street, 6th Floor New York, NY 10001			Disputed			\$71,911.48
Jessica Eno 163 Remsen Street, 3F Brooklyn, NY 11201			Disputed			\$42,607.51
Meidan Kleitman 28 Lott Lane Staten Island, NY 10314			Disputed			\$28,325.00
Short Hills Associates LLC Department 53501, PO Box 67000 Detroit, MI 48267-0535						\$26,488.72
Skorpios Leathergoods General Luque Arenas, 18 Ubrique, CZ 11600 Spain						\$26,181.00

Debtor **Sasco Hill Brands LLC**

Case number (if known)

Name

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Valigeria Bertoni S.R.L. 21100 Varese- Italy- Via Molini Trotti, 11/13						\$24,242.23
Nomad Industries, Inc 1170 Broadway New York, NY 10001			Disputed			\$23,850.00
Emerald Expositions, LLC 317 West 33rd Street, New York, NY 10001						\$22,138.85
Luxelite 5289 NW 89th Dr Coral Springs, FL 33067			Disputed			\$20,293.60
Bieri & Ames Attorneys and Counselors 660 Woodward Ave, Suite 150 Detroit, MI 48226						\$17,623.62
Prelude Painting Corp. 4 Clark Place Port Chester, NY 10573						\$13,881.56
Olga Godoy, S.L. Pol. Ind. "Cuestecilla de Cast ro" - Avda. De los Viajantes, n 12-14- 11600 UBRIQUE (Cadiz)			Disputed			\$12,381.38
Tri-State Crating and Pallet 85 Fulton Street Paterson, NJ 07501			Disputed			\$12,283.23
Riskified Ltd 30 Kalisher, 6th Floor, Tel Aviv, Israel 6525724						\$11,116.83
Instart Logic Inc 450 Lambert Avenue, Palo Alto, Palo Alto, CA 94306						\$10,887.52
Ellecta Interactive d.o.o. Strahinjica Bana 55, 11000 Belgrade, Serbia						\$9,430.00

Debtor **Sasco Hill Brands LLC**  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
WB Mason 59 Centre Street Attn K. McKinnon Brockton, MA 02301						\$9,090.19
Wolters Kluwer 111 8th Avenue, 13th Fl New York, NY 10011						\$8,032.00

## **SCHEDULE 2**

### **LIST OF CREDITORS HOLDING 5 LARGEST SECURED CLAIMS**

**Gordon Brothers Brands, LLC  
800 Boylston Street, 27<sup>th</sup> Fl  
Boston, MA 02199**

**\$3,000,000.00  
(Disputed)**

**Green Bull Bags Jr. LLC  
c/o Candlewood Partners  
600 Superior Avenue East, Suite 1800  
Cleveland, OH 44114  
Attn: Stephen J. Latkovic**

**\$715,300.00**

**GB Lender LLC  
c/o Candlewood Partners  
600 Superior Avenue East, Suite 1800  
Cleveland, OH 44114  
Attn: Stephen J. Latkovic**

**\$2,100,000.00**

### **SCHEDULE 3**

**Sasco Hill Brands LLC**  
**Balance Sheet**  
**For the Period ended April 30, 2018**

<b>Description</b>	<b>4/30/2018</b>
Chase Checking	182,962
Petty Cash	200
<b>Cash</b>	<b>183,162</b>
Accounts Receivable	160,142
Finished goods inventory	1,857,662
Non-finished goods inventory	467,263
<b>Total Current Assets</b>	<b>2,668,230</b>
PP&E, net	48,035
<b>Capital Assets</b>	<b>48,035</b>
Security Deposits	303,197
Deferred Interest	17,108
Deferred Financing Costs	146,452
PrePaid Expense	41,625
<b>Other Assets</b>	<b>508,382</b>
<b>Total Assets</b>	<b>3,224,646</b>
Accounts Payable	819,765
Accrued Other	167,660
Accrued Interest	181,618
Short Term Secured Debt	2,400,000
Last-Out Term Loan	700,000
Bridge Note	1,565,300
<b>Total Current Liabilities</b>	<b>5,834,343</b>
32000 Partners Capital	86,776
Member Equity	(1,926,801)
Net Income	(769,671)
<b>Total Equity</b>	<b>(2,609,696)</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,224,647</b>

(0)

**SCHEDULE 4**

**Landlord:**

**WeWork**

**115 W. 18<sup>th</sup> Street**

**New York, NY 10011**

**Monthly Rent/Tax:**

**Prepaid until 7/31/18**

**Location:**

**205 Hudson St.**

**Suite 08-106**

**New York, NY 10013**

## **SCHEDULE 5**

### **Pending Litigation**

**Krupp Public Relations, Inc. d/b/a  
Krupp Group v. Ghurka Trading & Design LLC and  
Sasco Hill Brands LLC  
Supreme Court of the State of New York  
County of New York  
Index No. 153392/2018  
Pending Civil Action**

**Jessica Eno v. Ghurka Trading & Design LLC and  
Sasco Hill Brands LLC  
Supreme Court of the State of New York  
County of New York  
Index No. 650474/2018  
Pending Civil Action**

**Carlos Jorge v. Sasco Hill Brands LLC, et al.  
United States District Court, SDNY  
Case No. 17-09470  
Settled Civil Action**

**Mary Cleary Drywall and Carpentry, LLC v.  
Sasco Hill Brands, LLC d/b/a Ghurka  
In the Court of Common Pleas  
Montgomery County, PA  
No. 2018-00889  
Pending Civil Action**

**Tri-State Crating and Pallet Co.  
v. Sasco Hill Brands, LLC et al.  
Superior Court of New Jersey  
Law Division: Passai County  
Docket No. PAS L 001104 18  
Pending Civil Action**

**Natalie Smith**  
**433 West 21<sup>st</sup> Street, Apt. 3B**  
**New York, NY 10011**  
**EEOC Claim**

## **Schedule 6**

Sasco Hill Brands LLC  
6-Week Cash Forecast

Week Beginning	Week 1 6/11/2018	Week 2 6/18/2018	Week 3 6/25/2018	Week 4 7/2/2018	Week 5 7/9/2018	Week 6 7/16/2018	Week 7 7/23/2018
Revenue	\$30,000	\$35,000	\$35,000	\$35,000	\$35,000	\$40,000	\$40,000
Operating Expenses							
Warehousing	-	-	\$7,500	-	-	\$8,500	-
Shipping & Handling	1,200	1,225	1,225	1,225	1,225	1,400	1,400
Credit Card Fees	765	893	893	893	893	1,020	1,020
Paid Media	1,000	1,500	1,500	1,500	1,500	1,500	1,500
Ecommerce Software	-	1,500	-	-	3,000	-	-
Payroll	-	-	-	-	9,240	-	9,240
Guardian	-	-	103	-	-	-	103
Oxford	-	-	1,135	-	-	-	1,135
Total Expenses excl Depreciation	\$2,965	\$5,118	\$12,356	\$3,618	\$15,857	\$12,420	\$14,398
Revenue less Cash Expenses	\$27,035	\$29,883	\$22,644	\$31,383	\$19,143	\$27,580	\$25,602
Adequate Assurance Payment	-	5,000	5,000	5,000	5,000	5,000	5,000
Total Non Operating Payments	-	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Cash Flow After Adequate Assurance Payment	\$27,035	\$24,883	\$17,644	\$26,383	\$14,143	\$22,580	\$20,602
Cummulative Cash Flow After Adequate Assurance Paymer	\$27,035	\$51,918	\$69,562	\$95,944	\$110,087	\$132,667	\$153,270
Inventory Replenishment	-	\$32,500	\$15,000	-	\$20,000	\$15,000	-
Cummulative Cash Flow After Inventory Replenishment	\$27,035	\$19,418	\$22,062	\$48,444	\$42,587	\$50,167	\$70,770